

Package Brings Millions In Federal Investment To The San Joaquin Valley

WASHINGTON, D.C. — Today, the House of Representatives passed the American Recovery and Reinvestment Act (the Act) by a vote of 246 to 183. Congressman Jim Costa (D-Fresno) voted in favor of the legislation. The bill is expected to create and save 3.5 million jobs, provide 95% of American workers an immediate tax cut, make investments in infrastructure, provide funding for renewable energy projects, and tax breaks for home purchases.

“The House and Senate have worked hard to come up with a final version of this bill that is much better than what was first passed in the House, although it is not perfect,” said Costa. “I believe this legislation, once signed into law, will help our nation, our state and our Valley weather this economic storm.”

California has thousands of infrastructure projects that can be funded through the Act. In fact, the state has identified more than \$44 billion in projects which are ready to go within 120 days of enactment; Governor Schwarzenegger has stated that thousands of jobs will be created as a result of funding in the Act. The Act provides \$27 billion for highway and bridge improvement, and it is estimated that California will see about \$2.5 billion, with the Valley receiving approximately \$200 million. Secondly, \$18 billion has been allocated in the Act for clean water, flood control and environmental restoration. These are critical funds for California, which is currently suffering from a severe drought and an economic crisis.

The Act also provides for \$8 billion in competitive high-speed rail grants. Last November, California voters passed Proposition 1A to provide \$9 billion in bonds to construct a statewide high speed rail system. Costa authored the original proposition while serving in the state legislature.

“These infrastructure funds are critical for our Valley, especially the funding for high-speed rail. Each day, the strain on Valley freeways and highways is greater; federal dollars provided in this bill can help improve our roads and help the high-speed rail system to be built,” commented Costa.

Over the last few years, California has become a national leader in energy efficiency and green job creation. The Act provides \$3.1 billion for the State Energy Program, which provides grants to states to use to address their energy priorities and program funding to adopt renewable and efficient energy technologies. Secondly, the Act provides \$20 billion in tax incentives for renewable energy and energy efficiency over the next ten years. This includes a three-year extension of the production tax credit for electricity derived from wind and for electricity derived from biomass, geothermal, hydropower, waste-to-energy and solar power.

“Our nation, especially California, needs long-term energy plans to help wean us off dependence on dirty fuels and foreign oil. The use of fossil fuels will change, and multiple energy sources will be the future for our children and grandchildren. These tax provisions will help continue California’s energy program over the next few years, and make improvements on existing energy infrastructure,” stated Costa.

The final version of the Act extends the existing homebuyer credit for qualifying home purchases before December 1, 2009, and increases the maximum credit amount to \$8,000. California’s real estate market has suffered greatly over the past year, and this tax credit should help increase consumer confidence in the market, and get families into homes.

“The Valley’s foreclosure rates are through the roof, and while this is a lower tax credit than the previous bill, we’ll take all the help we can get,” said Costa.

Following the conference meeting between the House and the Senate, the final version of the Act ensures that funds for initiatives, programs, or construction will be distributed through formulas or competitive grants. There are no earmarks in the Act. How funds are spent, all announcements of contract and grant competitions and awards, formula grant allocations must be posted on a website created by President Obama. It will include the names of agency personnel to contact with concerns about infrastructure projects.